

RECORDATION NO. 25203 FILED

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SEP 23 '04 10-30 AM

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

September 23, 2004

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are six (6) copies of a Memorandum of Lease of Railroad Equipment No. 3, dated as of September 15, 2004, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessee: Canadian National Railway Company  
935 de la Gauchetiere Street West  
Montreal, Quebec  
Canada H3B 2M9

Lessor: Key Equipment Finance Canada Ltd.  
1122 International Blvd.  
Suite 600  
Burlington, Ontario L7L 6Z8  
Canada

A description of the railroad equipment covered by the enclosed document  
is:

98 boxcars CNA 409277 - CNA 409374

Mr. Vernon A. Williams  
September 23, 2004  
Page Two

A short summary of the document to appear in the index follows:

Memorandum of Lease of Railroad Equipment No. 3

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anm  
Enclosures

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(CN / KEY No. 3)

SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT NO. 3** dated as of September 15, 2004 between **CANADIAN NATIONAL RAILWAY COMPANY**, a corporation continued under the laws of Canada (hereinafter called the **Lessee**), and **KEY EQUIPMENT FINANCE CANADA LTD.**, an Ontario corporation (hereinafter called the **Lessor**).

**WHEREAS**, the Lessee and the Lessor are entering into that certain Lease of Railroad Equipment No. 3 dated as of the date hereof (hereinafter the **Lease**) covering ninety-eight (98) 50'6" 106-ton plate F boxcars manufactured by Trinity Industries, Inc. in 2004 bearing the road numbers **CNA 409277 to CNA 409374** inclusive, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor (hereinafter the **Boxcars**);

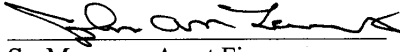
**WHEREAS**, the terms and conditions of the Lease are incorporated by reference in this Memorandum as if fully set forth herein;

**AND WHEREAS**, this Memorandum has been entered into for the purpose of satisfying the requirements for i) recordation with the Surface Transportation Board of the United States of America under Section 11301 of Title 49 of the *United States Code* and ii) deposit with the Registrar General of Canada under Section 105 of the *Canada Transportation Act*.

**IN WITNESS WHEREOF**, the parties wish to show for the public record, among other things, the ownership of the Boxcars by the Lessor, the leasehold interest therein of the Lessee and the rights of the Lessee to purchase the Boxcars and, accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the day and year first above written.

**CANADIAN NATIONAL RAILWAY COMPANY**

By:

Its:   
Sr. Manager, Asset Finance

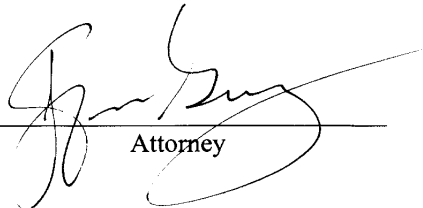
**KEY EQUIPMENT FINANCE CANADA LTD.**

By:

Its:   
Mark Reichling  
Vice President, Operations & Administration

PROVINCE OF QUEBEC                    )  
  )    SS.:  
DISTRICT OF MONTREAL                )

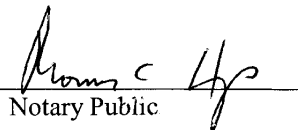
On this 17th day of September, 2004, before me personally appeared John A.N. Lamont, to me personally known, who, being by me duly sworn, says that he is Sr. Manager, Asset Finance of CANADIAN NATIONAL RAILWAY COMPANY, that the instrument was signed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

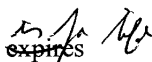
  
\_\_\_\_\_  
Attorney

Bar number: 188726-2

PROVINCE OF ONTARIO                    )  
  )    SS.:  
CITY OF BURLINGTON                )

On this 20 day of September, 2004, before me personally appeared MARK REICHLING, to me personally known, who, being by me duly sworn, says that he / ~~she~~ is V.P. OPERATIONS & ADMIN. of KEY EQUIPMENT FINANCE CANADA LTD., that the instrument was signed on behalf of said corporation by authority of its board of directors, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
\_\_\_\_\_  
Notary Public

My commission  expires 